AMENDED AND RESTATED

INTERCHANGE AGREEMENT

BETWEEN

SOUTH CAROLINA ELECTRIC & GAS COMPANY

AND

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

WITNESSETH

WHEREAS, the Company and the Authority desire to provide an updated Agreement for utilizing existing interconnections and future interconnections in order to coordinate the operation of the respective generation, transmission and substation facilities to the mutual advantage of both parties, and

WHEREAS, Company and Authority entered into an Interchange Agreement dated January 1, 1975, to supersede an agreement dated March 27, 1959, and all other then-existing agreements between the parties, which are provided for herein, for interchange of power and energy; and

WHEREAS, Modification No. 1 to the above referenced Agreement was entered into on the 21st day of August, 1978; and

WHEREAS, Modification No. 2 to the above referenced Agreement was entered into on the 14th day of February, 1985; and

WHEREAS, Modification No. 3 to the above referenced Agreement was entered into on the 1st day of January, 1995; and

WHEREAS, the parties desire to provide an updated Agreement, described herein, reflecting the terms of amendments to this Agreement previously filed with the Commission and new facilities including FERC-jurisdictional facilities that the Company has or plans to construct, own, and operate pursuant to the Agreement dated January 1, 1975;

WHEREAS, the parties desire to restate the terms of the Agreement, described herein;

NOW THEREFORE, in consideration of the above premises and of the mutual benefits from the covenants herein set forth, the parties hereby agree as follows:

ARTICLE I

PURPOSE

1.1 The purpose of this Agreement is to provide means for utilizing existing interconnections and future interconnections in order to coordinate the operation of the respective generation, transmission and substation facilities to the mutual advantage of both parties.

To fully realize these advantages, Authority and Company mutually agree to appoint authorized representatives to be known as the "Operating Representatives" and further agree to establish certain service schedules to govern the transactions between the two parties. It is the

intent that neither system shall be a burden or expense to the other, and the Operating Representatives shall work out equitable arrangements, if such should develop.

Nothing in this Agreement is intended to restrict what a Party may do to modify its electric transmission system on its side of any interconnection point. The Parties shall keep each other informed as to such modifications which might reasonably be expected to impact the other Party and to conduct additional studies of future modifications upon request of the other. The remedies for electric system operational problems as contained in this Agreement will apply to the interconnection points after they are placed in service.

ARTICLE II

DURATION OF AGREEMENT

2.1 <u>Duration</u>. This Agreement shall become effective on the date hereof and shall continue in effect until terminated on April 30 of any year by either Party upon written notice given to the other not less than four years in advance of the date of termination specified therein; provided, that no such termination shall be effective prior to April 30, 1990.

ARTICLE III

DELIVERY POINT

3.1 Electric capacity and energy as is provided for hereunder shall be delivered and received at the now existing or any future interconnection points between the facilities of Authority and of Company or at any other mutually agreeable new point or points, such point or points are hereinafter referred to as "Delivery Point(s)."

Each party shall have installed on its system the load and frequency control, communication, and telemetering equipment adequate for handling the power interchange capability of the interconnections and the extent and character of such equipment shall be in

accordance with good engineering practice. Each party shall cooperate in the coordination of such equipment and the establishing of operating procedures so as to obtain the best practical interconnected operation of the systems of the parties.

ARTICLE IV

DELIVERIES UNDER OTHER CONTRACTS

4.1 Delivery by Company or Authority of firm energy/capacity under any contract between the parties hereto shall take precedence over the deliveries by Company or Authority under the Agreement, provided, however, in the event delivery is being made under said contract, delivery under the Agreement will not be required in excess of the capacity of the interconnection facilities available.

ARTICLE V

OPERATING REPRESENTATIVES

5.1 In order that the advantages to be derived hereunder may be realized by the parties to the fullest practicable extent, the parties shall name authorized representatives to be known as the "Operating Representatives" who shall coordinate the operations between the systems. Each of the parties shall designate, in writing delivered to the other party, the person who is to act as its Operating Representative and the person or persons who may serve as alternate whenever such Operating Representative is unable to act ("Alternate"). Such Operating Representatives and Alternates shall be persons familiar with the generating, transmission, and substation facilities of the system of the party by which they have been so designated, and each shall be fully authorized to cooperate with the other party's Operating Representative or Alternate and from time to time as the need arises, subject to the declared intentions of the

parties herein set forth and to the terms hereof and the terms of any other agreements then in effect between the parties, to determine and agree upon the following:

- (a) All matters pertaining to the coordination of maintenance of the generating and transmission facilities of the parties.
- (b) All matters pertaining to the control of energy flow, kilovar flow, spinning reserve, voltage, and other similar matters bearing upon the satisfactory synchronous operation of the systems of the parties; and
- (c) Such other matters not specifically provided for herein upon which cooperation, coordination and agreement are necessary in order to carry out the purposes and provisions of this Agreement and the transactions herein contemplated.

ARTICLE VI

FACILITIES

6.1 All present interconnection facilities between the parties will be utilized in carrying out the provisions of the schedules under this Agreement. In addition to the foregoing facilities, the parties will endeavor to establish by date stipulated in this Agreement proposed interconnections as set forth in Article VI, Section 6.3.

6.2 Existing Facilities

(a) Faber Place 115 kV Interconnection

Company did construct and owns an interconnection circuit which connects its Faber Place 115 kV substation to the Authority's existing 115 kV Marsh Line. The Company's portion of the circuit is approximately 700 feet in length and has three conductors that are 795 MCM

ACSR. Company constructed at its Faber Place 115 kV substation a 115 kV bus with a 115 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Authority's and the Company's 115 kV relaying. Company also installed 115 kV interconnection metering which includes kilowatt-hour metering and kilowar-hour metering and kilowatt and kilowatt-hour telemeter transmitters as well as such communication channels as required for operation of the interconnection. The Company's kilowatt hour meters shall be used for official billing.

Company also constructed and owns an interconnection circuit which connects its Faber Place 115 kV substation to the Authority's Jefferies-Faber Place 115 kV line at a deadend structure adjacent to the Company's Faber Place substation. The Company's portion of this circuit is approximately 400 feet in length and has three conductors that are 795 MCM ACSR. Company constructed a line terminal to terminate the Authority's Jefferies-Faber Place 115 kV line, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with Authority's relaying equipment. The Authority and Company shared equally the cost of the 115 kV line terminal for the Jefferies-Faber Place line at Faber Place substation and appropriate metering per Company's drawing F-13675, Rev. 1; however, the Company is the sole owner of the line terminal and associated equipment. If this interconnection point should be abandoned, before February 21, 1984, Company shall pay the Authority \$29,814.62, which is one half of the amount of Authority's original investment of \$59,629.24 as invoiced by Company Invoice #C116, dated March 31, 1971. If abandoned at any time after February 21, 1984, no payment shall be made.

The Authority, at its own expense, constructed a 115 kV line, on a right-of-way provided by it one (1), three-phase, 115 kV transmission circuit from its Jefferies 115 kV substation to a

deadend structure adjacent to the Company's Faber Place substation. The circuit is approximately 30 miles in length and has three conductors that are 795 MCM ACSR. The Authority provided telemetering equipment for its own use in operating this interconnection.

(b) St. George 115 kV Interconnection

The Authority, at its own expense, constructed one (1), three-phase, 115 kV transmission circuit from its St. George 115 kV substation to the Company's St. George 115 kV substation. The circuit approximately three hundred seventy (370') feet in length has two lines, each with three conductors that are 795 MCM ACSR. The Authority installed at its St. George Substation two 115 kV circuit breakers complete with disconnect switches on each side of each breaker, and protective relaying equipment. The Authority installed at its St. George Substation interconnection metering including kilowatt-hour, graphic kilowatt meter and kilowatt and kilowatt-hour telemeter transmitters as well as such communication channels as required by it for operation of this interconnection and for microwave communication exchange. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. The Authority's kilowatt-hour meter shall be used for official billing.

Company provided bays for attaching the Authority's lines to the Company's 115 kV bus. Company installed kilowatt-hour and kilovar-hour check meters and suitable communication channels for the communication, the telemetering and relaying required by it for operation of this interconnection. Also, the Company installed necessary local supervisory control equipment in the Authority's St. George substation so that Company could operate Authority's circuit breaker by remote control.

(c) Lyles 115 kV Interconnection

Authority constructed on a right-of-way provided by it, two (2) three phase, 115 kV transmission circuits from its existing Pinewood-Columbia-Batesburg 115 kV transmission line to the Company's Lyles 115 kV substation. Each circuit, approximately three (3) miles in length, is three conductors of 477 MCM ACSR. These circuits are parallel one to the other and are constructed on a combination of single circuit, double circuit and steel tower structures. The Authority provided kilowatt and kilowatt-hour telemetering transmitters. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority.

Company installed at its Lyles substation a 115 kV bus with two 115 kV transmission line terminals and two 115 kV circuit breakers complete with disconnect switch on each side of each circuit breaker and protective relaying equipment compatible with Authority's relaying equipment so as to loop Authority's Pinewood-Columbia-Batesburg 115 kV line through the Company's Lyles 115 kV substation; thus, forming two circuits; namely, Lyles-Pinewood and Lyles-Columbia. Company also installed 115 kV interconnection metering which included kilowatt-hour and kilovar-hour metering as well as such communication channels as required for operation of the interconnections. The Company's kilowatt-hour meter shall be used for official billing.

(d) Clark Hill Interconnection

Interconnection was made between the Authority and Company at Clark Hill through the Corps of Engineers' terminal facilities.

Authority provided necessary telemetering equipment as well as necessary communications for the operation of this interconnection.

Company provided kilowatt and kilowatt-hour telemetering and necessary communication channels for the operation of this interconnection. The Corps of Engineers provided the official kilowatt-hour billing meter.

The Authority leases to the Company the southerly or downstream one-half of two double circuit electric transmission towers and footings located in McCormick County, State of South Carolina, near the switchyard of the Clark Hill Project. Said towers are known as Tower 3, located approximately 266.7 feet from the bay of the aforesaid Clark Hill Project, and Tower 4 located approximately 848.4 feet from the bay of the aforesaid Clark Hill Project.

The term of this lease commenced on November 10, 1960, and subject to the provisions hereinafter contained will continue in effect so long as the Agreement between the parties and any extension thereof is in effect.

The Company shall pay the Authority rental annually in advance at the rate of \$784.00 per annum. Rental for portions of a year shall be apportioned on a 365-day basis.

The Authority shall maintain the said towers, and shall have exclusive use of the northerly or upstream side thereof.

The Company shall have exclusive use of the southerly or downstream one-half of said towers. The Company shall maintain, repair, operate and remove all of its facilities at its sole cost and expense.

The Company shall have the right to remove all facilities installed by it at any time during the term of this Lease, or within thirty (30) days thereafter. All property of the Company not removed within thirty (30) days after any termination of this Lease shall become the property of the Authority.

All rights granted to the Company hereunder shall be subject and subordinate to the terms of the "Easement for Right-of-Way," dated November 17, 1953, from the Secretary of the Army to the Authority hereunder, and all regulations and requirements which may be issued by the United States pursuant thereto. In the event that any action or requirement of the United States substantially and adversely affects the maintenance or use of said towers either party may terminate this Lease by giving thirty (30) days advance written notice of such intention to the other party.

(e) Arthur M. Williams 230 kV Interconnection

The Authority constructed on a right-of-way provided by it, one three-phase 230 kV transmission circuit from its Charity 230 kV switching station to the Company's A. M. Williams 230 kV substation. Company owns and installed the first span of conductors from the A. M. Williams substation to the first structure beyond the substation which will be owned and installed by the Authority. This circuit is approximately five miles in length and shall consist of three (3) conductors, no smaller than 1272 KCM ACSR. The Authority shall provide suitable communications channels for the communication, telemetering and operation of this interconnection. Authority installed at its Charity 230 kV switchyard a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Company's.

Company purchased, installed and owns at its A. M. Williams substation a 230 kV bus with a 230 kV line terminal, a circuit breaker complete with disconnect switch on each side of the circuit breaker and protective relaying equipment compatible with the Authority's.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment was installed by Company at the A. M.

Williams substation. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. The Company's kilowatt-hour is the official billing meter. The Company and Authority exercised due diligence for the construction of these facilities to complete this interconnection.

(f) Virgil C. Summer 230 kV Interconnection

The Joint Ownership Agreement between Company and Authority for the Virgil C. Summer Substation, Unit No. 1, in Section 14.01, entitled "Delivery of Project Output" states "Each party shall bear all costs of acquiring and installing its 230 kV transmission lines and switching facilities for connecting its transmission systems to the Project Substation or use mutually agreed to interconnection points to provide for delivery of Project Output." In conformity with the Joint Ownership Agreement, the Authority constructed one (1) three phase, 230 kV transmission circuit from its Blythewood Substation to the Virgil C. Summer 230 kV substation, approximately 20 miles in length; and, one (1) three phase, 230 kV transmission circuit from its Newberry 230 kV substation to Virgil C. Summer Substation, approximately 15 miles in length. Each 230 kV line has three (3) conductors not smaller than 1272 MCM ACSR. Authority provided suitable communication channels for the communication, telemetering and relaying as required by it for the operation of these two interconnections. Company installed at the Virgil C. Summer Substation one(1) 230 kV circuit breaker and associated structures, foundation, disconnect switches, protective relaying and carrier equipment, meters and controls, all hereafter referred to as the 230 kV circuit breaker and associated equipment. This circuit breaker was connected to the Authority's Blythewood-Virgil C. Summer 230 kV transmission circuit. Company installed at the Virgil C. Summer Substation one (1) 230 kV breaker-and-half design line terminal and associated structures, foundation, disconnect switches, protective

relaying and carrier equipment, meters and controls, all hereafter referred to as the 230 kV breaker-and-half terminal and associated equipment. This breaker-and-half terminal was connected to the Authority's Newberry-Virgil C. Summer 230 kV transmission circuit (now renamed to VC Summer to Pomaria #1).

Each connection shall have protective relaying equipment that is compatible with the associated 230 kV relaying equipment on the Authority's system.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment was installed by Company at the Virgil C. Summer Substation. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. Such metering and telemetering transmitting equipment is part of "Project Substation" as defined in Section 1.18 of the "Virgil C. Summer Joint Ownership Agreement." Such kilowatt-hour metering will be used for official billing.

(g) Mateeba-Pepperhill 230 kV Interconnection

Company constructed, at its expense, a 230 kV station at Pepperhill and a 230 kV line from Pepperhill to Authority's Mateeba Station. Cost of any Authority relocations required to accommodate the Company's Pepperhill tie line will be borne by Company. Specific details were worked out through respective engineering staffs. Company provided an oil circuit breaker (OCB), associated relays and relay panel for termination of the tie line at Authority's Mateeba Station. Authority controls this breaker through its Supervisory Control and Data Acquisition (SCADA) system. Authority installed the Company's equipment listed above in Authority's Mateeba Station and bills Company from time to time for all required maintenance. Authority provides all metering and communications in Mateeba Station for this interconnection. The

specifications for all equipment, ratings and standards will be mutually agreed upon by Authority and Company as related to this interconnection. This applies to such equipment as OCB, communications, data acquisition, relays and metering.

6.3 New Facilities

(a) Jasper/Purrysburg Interconnection

The Bluffton to McIntosh 230 kV electric transmission line of Authority (the "Bluffton Line") crosses the Jasper Tract on a transmission line easement which Authority obtained from a former owner of the Jasper Tract.

Authority incorporated the Purrysburg Substation into the Authority's electric transmission system by de-energizing one or more spans of the Bluffton Line and re-routing the two resulting line sections into the Purrysburg Substation. Company constructed two (2) new 230 kV electric power transmission lines from the switchyard of the Jasper Generating Plant to the Purrysburg Substation. The new interconnection points will be defined as the points where the two (2) new 230 kV electric transmission lines of Company connect to the Purrysburg Substation.

(b) Yemassee Interconnection

Company owns and operates a 230 kV substation near Yemassee, SC (the "SCE&G Substation"). Authority owns and operates a 230 kV substation near Yemassee, SC approximately three miles from the SCE&G Substation (the "Authority Substation"). Company constructed a 230 kV line from the SCE&G Substation to the Authority Substation, creating an additional new 230 kV interconnection between the Company and Authority. The Interconnection Point will be where the 230 kV line of Company connects to the Authority Substation.

(c) Virgil C. Summer 230 kV Interconnection

Authority and Company have provided suitable communication channels for the communication, telemetering and relaying as required by it for the operation of these interconnections.

Interconnection metering including kilowatt-hour, kilovar-hour meters and kilowatt-hour and kilowatt telemetering transmitting equipment was installed by Company at the Virgil C. Summer 230 kV Project Switchyard. This telemetering transmitting equipment has separate signal output terminals for interconnection telemetering suitable for use by Company and Authority. Such metering and telemetering transmitting equipment is part of "Project Switchyard" as defined in the Amended and Restated Transmission Agreement dated October 8, 2012 ("Switchyard Agreement"). Such kilowatt-hour metering will be used for official billing.

i. VC Summer to Winnsboro

The Authority has constructed one (1) three phase, 230 kV transmission circuit from its Winnsboro Substation to the Virgil C. Summer 230 kV Project Switchyard, approximately 13 miles in length. This circuit is constructed with bundled 1272 MCM ACSR conductors. Company installed at the Virgil C. Summer 230 kV Project Switchyard one (1) 230 kV circuit breaker and associated equipment. This circuit breaker is connected to the Authority's Virgil C. Summer-Winnsboro 230 kV transmission circuit. The Interconnection Point will be the point where the Authority's 230 kV transmission line conductors connect to the Virgil C. Summer 230 kV Project Switchyard.

ii. VC Summer to Pomaria #2

The Authority has constructed a second three phase, 230 kV transmission circuit from its Pomaria Substation to the Virgil C. Summer 230 kV Project Switchyard, approximately 7 miles

in length. This circuit is constructed with bundled 1272 MCM ACSR conductors. Company installed a breaker-and-half design line terminal in the V. C. Summer 230 kV Project Switchyard connected to the Authority's Virgil C. Summer-Pomaria #2 230 kV transmission circuit.

(d) Johns Island 115 kV Tap Interconnection

Authority plans to establish a single-circuit 115 kV electric power transmission line from the Authority Johns Island Substation to a mutually agreed upon location in the vicinity of the Company Church Creek to Ritter 115 kV transmission line in the West Ashley area of Charleston, South Carolina utilizing existing Authority transmission line sections and newly constructed line sections. Authority plans to construct one new 115 kV transmission line terminal at the Authority Johns Island Substation, and plans to terminate the transmission line at the Authority Johns Island Substation. Company plans to install 3-way switching capability in the Company Church Creek to Ritter 115 kV transmission line ("Company Johns Island Tap") at the mutually agreed upon location. Authority plans to terminate the transmission line from the Authority's Johns Island Substation at the Company's Johns Island Tap such that a new transmission line called the Johns Island (SCPSA) to Johns Island Tap (SCEG) will be established.

Construction of the facilities described in this section will establish one new 115 kV Interconnection Point between Authority's system and Company's system. The new Interconnection Point will be defined as the point where Authority's 115 kV transmission line conductors connect to the Company Johns Island Tap (SCEG).

(e) Queensboro to Johns Island 115 kV Interconnection

Company plans to construct the Company Queensboro 115 kV Switching Station on James Island, South Carolina. Authority plans to construct a new single-circuit 115 kV

transmission line from the Authority Johns Island Substation to the Company Queensboro 115 kV Switching Station. Company plans to include a 115 kV transmission line terminal in the Company Queensboro 115 kV Switching Station for termination of the Authority transmission line. Authority plans to terminate the transmission line at the Authority Johns Island Substation, and plans to terminate the transmission line at the Company Queensboro 115 kV Switching Station such that a new Johns Island (SCPSA) to Queensboro (SCE&G) 115 kV Line will be established.

Construction of the facilities described in this section will establish one new 115 kV Interconnection Point between Authority's system and Company's system. The new Interconnection Point will be defined as the point where Authority's transmission line conductors connect to the Company Queensboro 115 kV Switching Station.

(f) Bluffton 115 kV Interconnection

Company plans to construct a new single-circuit 115 kV electric power transmission line from a tap point installed by Company in the Company Bluffton Feeder to a planned sectionalizing switch installed by Authority in an Authority transmission line at the Authority Bluffton Substation (the "Authority Bluffton Tie Switch"). Company plans to terminate the transmission line at the Authority Bluffton Tie Switch such that a new Bluffton (SCPSA) to Bluffton (SCE&G) Line will be established.

Construction of the facilities described in this section will establish one new 115 kV Interconnection Point between Authority's system and Company's system. The new Interconnection Point will be defined as the point where Company's 115 kV transmission line conductors connect to the Authority Bluffton Tie Switch.

6.4 Operation and Maintenance of Interconnections

Authority and Company, at its expense, shall operate, maintain and replace or cause to operate, maintain and replace, as required, all of its ownership portion of facilities described in Section 6.2 and 6.3. Each of the parties shall maintain in operable condition its facilities required for the effective use of the interconnections for the purpose herein provided.

6.5 Elimination of Interconnection

If, in the judgment of either party hereto, it is anticipated that conditions will develop such that the continuation of any interconnections specified in Article VI hereof will place a burden on either party's system, the parties will cooperate in making studies to arrive at a mutually agreeable solution. If, after a period of six (6) months, a mutually agreeable solution cannot be reached, the party whose system is so affected shall have the right to discontinue such interconnection three (3) years after giving notice.

ARTICLE VII

SERVICE TO BE RENDERED

7.1 Service Schedule

The power to be supplied by each party to the other hereunder, the terms and conditions of such supply, and settlement therefor shall be in accordance with arrangements agreed upon from time to time between the parties. Such arrangements shall be set up in the form of Service Schedules, each of which, when signed by Authorized officials of the parties hereto, shall become a part of this Agreement for the term hereof or for such shorter term as may be provided in the Service Schedule. The following Service Schedules are hereby agreed to initially and attached as parts hereof:

Service Schedule A - Reserve

Service Schedule B - Short-term Power Service

Schedule C - Limited-term Power;

Service Schedule D - Economy Interchange;

Service Schedule E - Other Energy

7.2 Rights and Obligations of Service

It is the express intention and understanding of the parties that either party shall have the right, unilaterally, to take any action permitted or contemplated by Article XII of this Agreement.

ARTICLE VIII

SERVICE CONDITIONS

8.1 Operation of Systems in Parallel

The Authority's system and the Company's system shall be and shall remain interconnected at the interconnection points described in Article VI hereof, insofar as this can be done in the opinion of each party and subject to provision in Section 6.5, without jeopardy to its system or to service to its customers. The Authority and Company shall ensure the installation of necessary protection and communication systems in accordance with all applicable reliability requirements.

8.2 Control of System Disturbances

Insofar as practicable Company and Authority shall protect, operate, and maintain their respective systems so as to avoid or minimize the likelihood of disturbances which might cause impairment of service in the other's system or in any system interconnected therewith.

8.3 Kilovar Exchange

It is intended that neither party shall impose an undue burden on the other with respect to the flow of kilovars. The Operating Representatives (provided for under Section 5.1) shall establish from time to time mutually satisfactory voltage schedules and kilovar supply arrangements.

8.4 Determination of Amounts of Power Supplied

The amounts of power being supplied hereunder by one party to the other under each Service Schedule, and under any other transaction between the Company's and the Authority's system from time to time arranged, shall be the amounts scheduled by the parties' Operating Representatives or persons designated by them. The parties shall operate their respective system in such a manner as to make the actual net deliveries of power and energy as nearly equal as practicable to the scheduled net deliveries. Any difference between scheduled net deliveries and actual net deliveries shall be accounted for according to procedures for loop operation as approved by the Operating Representatives, and such differences shall be settled by appropriate compensatory delivery in accordance with established utility practice.

ARTICLE IX

DELIVERY POINTS AND METERING

9.1 Delivery Points

Unless otherwise agreed, the delivery points for power and energy hereunder shall be the interconnection points described in Article VI as existing or future interconnections.

9.2 Metering and Metering Facilities

The power and energy transactions over the system interconnection points hereunder shall be measured and accounted for at the delivery points herein provided for or hereafter established for the respective system interconnection points. At the metering points for such system interconnections, each party shall, at its own expense, maintain its own meters and shall provide, install, own and maintain any additional meters necessary in its judgment to determine

the amounts of power and energy delivered through such interconnection points. Each party shall have the right to install, at its own expense, check-metering equipment in suitable space provided without charge by the party owning the metering equipment. Should either party's meters fail to register for any period, the deliveries during such period shall be determined from the other party's meters or from the best information available.

9.3 <u>Inspecting and Testing of Meters</u>

Each party shall, at its own expense, make periodic tests and inspections of its metering equipment at intervals agreed upon by the Operating Representatives to maintain a high standard of accuracy, but not less than annually. If requested by either party, the other party shall make additional tests and inspections of its metering equipment; if such additional tests show that the measurements are accurate within one percent (1%) fast or slow, the cost of making such additional tests or inspections shall be paid by the party requesting such additional tests or inspections. Each party shall give the other party reasonable notice of all tests so that it may have a representative present if it wishes.

9.4 Billing Adjustment

If any tests or inspections under Section 9.3 of this Agreement show either party's measurements to be inaccurate by more than one percent, an offsetting adjustment shall be made in the party's billings or statements for any known or agreed period of inaccuracy; in the absence of such knowledge or agreement, the adjustment shall be limited to thirty days prior to the date of such tests. Any metering equipment found to be inaccurate by more than one percent shall be promptly replaced, repaired, or readjusted by the party owning such defective metering equipment.

ARTICLE X

RECORDS AND STATEMENTS

10.1 Records

Each party shall keep such records as may be needed to afford a clear history of the various deliveries of electric energy made by one party to the other and of the hourly integrated demands in kilowatts delivered by one party to the other. In maintaining such records, the parties shall effect such segregations and allocations of capacity and energy into classes representing various services and conditions as may be needed in connection with settlements under this Agreement. When and to the extent requested, copies of the records shall be delivered promptly to the other party.

10.2 Statements

As promptly as practicable after the first day of each calendar month, the parties shall cause to be prepared a statement setting forth the capacity and energy transactions between the parties during the preceding month in such detail and with such segregations as may be needed for operating records or for settlements under the provisions of this Agreement. Any such statement prepared by one party shall be made available to the other party.

ARTICLE XI

BILLING AND PAYMENT

11.1 Monthly Bills

Monthly bills for amounts owed by one party to the other shall be rendered by the party to whom a payment is due, and such bills shall be due and payable on the twentieth day of the month next following the monthly or other period to which such bills are applicable or on the tenth day following the receipt of the bill, whichever date is later. Interest on unpaid amounts

shall accrue at the rate of two thirds of one percent (2/3%) per month from the date due until the date upon which payment is made.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Continuity of Service

Each party shall exercise reasonable care to maintain continuity of service in the delivery and receipt of capacity and energy under this Agreement. If continuity of service becomes interrupted for any reason, the cause of such interruption shall be removed and normal operating conditions restored as soon as practicable. Neither party shall be responsible to the other party for any damage or loss of revenue caused by any such interruption.

12.2 Access to Property and Facilities

For the purpose of inspection and reading of meters, checking of meter records, and relevant matters, including construction and maintenance, duly authorized representatives of each party shall have access during reasonable hours to the premises and facilities of the other party used in connection with the performance of this Agreement.

12.3 Force Majeure

Each party shall exercise due diligence and reasonable care to maintain continuity of service in the delivery and receipt of energy as provided for in this Agreement, but neither party shall be considered to be in default in respect to any obligation by reason of or through strike, stoppage in labor, failure of contractors, suppliers of material, riot, fire, flood, ice, invasion, civil war, commotion, insurrection, military or usurped power, order of any court or judge granted in any bona fide legal proceedings or action, order of any civil authority, or military, either de facto

or de jure, explosion, act of God, or the public enemies, or any cause reasonably beyond its control, and not attributable to its neglect.

12.4 Responsibility and Indemnification

Neither party hereto shall be responsible for injury or damage to any apparatus or property of the other and the one delivering power shall not be responsible for electric capacity and energy after delivery by it to the other at the point of delivery. Each party hereto expressly agrees to indemnify and save harmless, and defend the other against all claims, demands, costs or expense for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of the generation, transmission or use of electric capacity and energy on its (the indemnifying party's) own side of the point of delivery hereunder; provided, however, that each party hereto, insofar as the other party hereto is concerned, shall in all cases be responsible for damage or injury to its own employees to the extent compensation benefits are payable therefor under any Workmen's Compensation Law, and each party expressly agrees to indemnify and save harmless the other from all claims of such employees to this extent.

12.5 Arbitration

In the event of disagreement between the parties with respect to (1) any matter herein specifically made subject to arbitration, (2) any question of operating practice involved in the deliveries of power herein provided for, (3) any question of fact involved in the application of the provisions of this Agreement, or (4) the interpretation of any provision of this Agreement, the matter involved in the disagreement shall, upon demand of either party, be submitted to arbitration in the manner hereinafter provided. An offer of such submission to arbitration shall be a condition precedent to any right to institute proceedings at law or in equity concerning such matter.

The party calling for arbitration shall serve notice in writing upon the other party, setting forth in detail the subject or subjects to be arbitrated, and the parties thereupon shall endeavor to agree upon and appoint one person to act as sole arbitrator. If the parties fail so to agree within a period of fifteen days from the receipt of the original notice, the party calling for the arbitration shall, by written notice to the other party, call for appointment of a board of arbitrators skilled with respect to matters of the character involved in the disagreement, naming one arbitrator in such notice. The other party shall, within ten days after the receipt of such call, appoint a second arbitrator, and the two so appointed shall choose and appoint a third. In case such other party fails to appoint an arbitrator within said ten days, or in case the two so appointed fail for ten days to agree upon and appoint a third, the party calling for the arbitration, upon five days' written notice delivered to the other party, shall apply to the person who at the time shall be the Chief Judge of the United States District Court for the District of South Carolina, for appointment of the second or third arbitrator, as the case may be. This Agreement and the performance of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of South Carolina.

The sole arbitrator, or the board of arbitrators, shall afford adequate opportunity to the parties to present information with respect to the question or questions submitted for arbitration and may request further information from either or both parties. The findings and award of the sole arbitrator or of a majority of the board of arbitrators shall be final and conclusive with respect to the question or questions submitted for arbitration and shall be binding upon the parties. Each party shall pay for the services and expense of the arbitrator appointed by or for it, if there be a board of arbitrators, and all other costs incurred in connection with the arbitration

shall be paid in equal parts by the parties hereto, unless the award shall specify a different division of the costs.

12.6 Right to Maintain Suit

Either party shall have the right to maintain suit at any time for any loss or claim that may previously have occurred or arisen hereunder without waiting until expiration of the term of this Agreement or of any Service Schedule hereunder and without losing or waiving any right to maintain suit for subsequent losses or claims occurring or arising during the term of this Agreement, and recovery in any such suit shall not be deemed as splitting the cause of action. This Agreement and the performance of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of South Carolina.

12.7 Waivers

Any waiver at any time by either party hereto of its rights with respect to the other party or with respect to any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

12.8 Notices

Any written notice or demand required or authorized by this Agreement shall be properly given, if mailed, postage prepaid to the President, South Carolina Electric & Gas Company, P. O. Box 764, Columbia, South Carolina, 29218 on behalf of the Company, or the President, South Carolina Public Service Authority, P.O. Box 2946101, Moncks Corner, South Carolina, 29461, on behalf of the Authority. The designation of the person to be so notified or the address of such person may be changed at any time and from time to time by either party by similar notice.

12.9 Regulatory Authorities

This Agreement is made subject to the jurisdiction of any governmental authority or authorities (excluding Authority) having jurisdiction. Nothing contained in this Agreement shall be construed as affecting in any way the right of either party under this Agreement or under any schedule annexed to and made part of this Agreement unilaterally to make application to the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act, and pursuant to the Commission's Rules and Regulations, for a change either in the rates and charges for each of the several services to be rendered pursuant to this Agreement or to the schedules annexed to this Agreement.

12.10 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto, but it shall not be assignable by either party without the written consent of the other party, such consent not to be unreasonably withheld, except upon foreclosure of a mortgage or deed of trust or to a successor in the operation of its properties. This Agreement Amendment is for the sole benefit of the Parties and is not for the benefit of any third party other than the Parties' respective successors and permitted assigns.

12.11 No Partnership

This Amendment shall not be interpreted to create an association, joint venture, partnership or trust between the Parties nor to impose any trust or partnership duty, obligation or liability upon or with regard to either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other party.

12.12 Agreements Superseded

This Agreement, upon its Effective Date, shall supersede any other Interchange Agreements between the Company and Authority executed prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

ATTEST:

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By: P. Kanthakou

ATTEST:

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

APPROVED

AS TO LEGALITY

AND FORM

By:

SCPSA
LEGAL
APPROVED AS TO
LEGALITY AND
FORM
S. R. PELCHER

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SERVICE SCHEDULE A

RESERVE

SECTION 1 - DURATION

- 1.1 This Service Schedule shall continue in effect until termination or expiration of the Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.
- 1.2 Either party upon at least three years prior written notice to the other party may terminate this schedule.

SECTION 2 - DEFINITIONS

- 2.1 Emergency Reserve Capacity is defined as the capacity provided during the first 12 hours (or the remainder of the calendar day, if greater than 12 hours) following the emergency loss of a resource. The period during which Emergency Reserve Capacity is supplied shall be defined as the Emergency Period.
- 2.2 Daily Reserve Capacity is defined as the capacity provided immediately following an Emergency Period, or capacity provided as a matter of efficiency, or as otherwise mutually agreed.
- 2.3 Contingency Reserve is defined as capacity that may be made available following the emergency loss of a resource.

SECTION 3 - SERVICES TO BE RENDERED

3.1 In the event of an emergency loss of a resource, each system will make available to the other, up to the total available Contingency Reserve capacity on its system and, upon request, will attempt to obtain capacity and/or energy from a third party system.

3.2 In the event either party desires to purchase capacity to supply a portion of its Contingency Reserve rather than supply it from its own resources, each party will make available to the other such capacity to the extent that it is available.

SECTION 4 - COMPENSATION

4.1 Demand Charge

- 4.11 When Emergency Reserve Capacity is provided there will be no demand charge. If the party suffering the outage requires assistance for a longer period than the Emergency Period, then that party will purchase Daily Reserve Capacity, unless otherwise mutually agreed. When Daily Reserve Capacity is provided, the receiving party will pay the delivering party a reserve demand charge of \$.08 per KW per day which includes a transmission use charge.
- 4.12 In the event the delivering party provides capacity to the receiving party from a third-party system, the receiving party will pay the delivering party a Demand Rate equal to (1) the Demand Rate charged by the third party, plus (2) a transmission use charge of \$.02 per kW per day. In transactions where no demand charge is made by the third party, the receiving party will pay the delivering party a transmission use rate of \$.02 per kW per day or 2 mills per kWH, whichever is less.
- 4.13 In the event the delivering party provides capacity to the receiving party from a third party system, the demand charge to the receiving party shall be (1) that charged by the third party, plus (2) a transmission use charge of \$.02 per KW per day. In transactions where no demand charge is made by the third party, the receiving party will pay the delivering party a transmission use charge of \$.02 per KW per day or 2 mills per KWH, whichever is less.

4.2 Energy

4.21 When the energy delivered is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10 percent of the sum of (1) and (2) under this Section, or 5 mills per KWH, whichever is less; or at option of the delivering party, the energy may be returned in kind.

4.22 For energy delivered by the delivering party from a third party the receiving party will pay the delivering party a rate per KWH equal to (1) the rate per KWH paid to the third party, plus (2) the cost of supplying the associated transmission losses on the system of the delivering party, plus (3) 10 percent of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less; or by mutual agreement the energy may be returned in kind. In return in kind transactions the receiving party will pay the delivering party 2 mills per KWH to cover the cost of supplying the associated transmission losses on the system of the delivering party and to provide compensation in lieu of the 10% margin normally applied to cash transactions.

4.3 Where applicable, taxes will be added to the billings under 4.1 and 4.2 including but not limited to:

Support of South Carolina Public Service Commission

South Carolina Gross Receipts Tax

South Carolina Generation Tax

North Carolina Gross Receipts Tax

Any new or additional applicable taxes enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.

SERVICE SCHEDULE B

SHORT TERM POWER

SECTION 1 - DURATION

- 1.1 This Service Schedule, a part of and under the Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.
- 1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICE TO BE RENDERED

- 2.1 Either party may arrange to reserve from the other for the remainder of the calendar week or for periods of one or more calendar weeks, electric power whenever, in the sole judgment of the party requested to reserve the same, such power is available.
- 2.11 Prior to each reservation of short term power, the number of kilowatts to be reserved, the period of the reservation, and the system supplying the power in third party transactions shall be agreed upon. Such Agreement shall be confirmed in writing. If, during such period, conditions arise that could not have been reasonably foreseen at the time of the reservation and cause the reservations to be burdensome to the delivering party, such party may, by written notice to the receiving party, or oral notice later confirmed in writing, reduce the number of kilowatts reserved by such amount and for such time as it shall specify in such notice. Kilowatts reserved hereunder by the delivering party from a third party may be reduced only to the extent they are reduced by the third party or to the extent necessary to alleviate burdensome system conditions.

2.12 During each period that Short Term Power has been reserved, the delivering party shall upon reasonable notice, provide "Short Term Power" in amounts agreed upon. Receiving party shall notify delivering party of its scheduled use of kilowatts reserved to assist in the commitment of generation.

SECTION 3 - COMPENSATION

3.1 The receiving party shall pay the delivering party:

3.11 Demand Charge

- (a) When the capacity sold under this contract is from the system of the delivering party, the receiving party will pay a demand charge of \$0.65 per week times the number of kilowatts of capacity reserved. For periods of less than one week the receiving party will pay a demand charge of \$.108 per day times the number of kilowatts of capacity reserved. If the delivering party reduces the number of kilowatts of capacity reserved in accordance with Section 2.11 for all or part of a day, the delivering party will reduce the demand charge to the receiving party at the rate of \$.108 per kilowatt per day.
- (b) In the event the delivering party provides short term power to the receiving party from a third party system, the demand charge to the reserving party will be (1) that charged by the third party, plus (2) a transmission use charge of \$.15 per week or \$.025 per day for periods of less than a week times the number of kilowatts of capacity reserved.

3.12 Energy Charge

(a) When energy delivered hereunder is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10% of the sum of (1) and (2) under this section or 5 mills per KWH, whichever is less.

(b) For energy delivered by the delivering party from a third party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the rate per KWH paid to the third party, plus (2) the cost of associated transmission losses, plus (3) 10% of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less.

3.13 Where applicable, taxes will be added to the billings under 3.11, 3.12 including but not limited to:

Support of South Carolina Public Service Commission

South Carolina Gross Receipts Tax

South Carolina Generation Tax

North Carolina Gross Receipts Tax

Any new or additional taxes applicable to transactions hereunder enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.

SERVICE SCHEDULE C

LIMITED TERM POWER

SECTION 1 - DURATION

- 1.1 This Service Schedule, a part of and under the Interchange Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.
- 1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICES TO BE RENDERED

- 2.1 Either party may arrange to reserve from the other for periods of not less than one month, such electric power whenever, in the sole judgment of the party requested to reserve the same, such power is available.
- 2.11 Prior to each reservation of Limited Term Power the number of kilowatts to be reserved the period of the reservation and the system supplying the power in third party transactions shall be agreed upon. Such determination shall be confirmed in writing.
- 2.12 During each period that Limited Term Power has been reserved, the party that has agreed to deliver such power shall, upon reasonable notice, provide Limited Term Power in the amounts agreed upon. Receiving party shall notify delivering party of its scheduled use of kilowatts reserved to assist in the commitment of generation.

SECTION 3 - REDUCTION IN DELIVERY

3.1 Deliveries of Limited Term Power may be suspended if the delivering party must interrupt service to its firm customers in order to make the delivery; however, before suspending

delivery, the delivering company will make every effort to obtain replacement power from all adjacent systems. Deliveries of third party capacity and energy may be reduced or suspended only to the extent that such deliveries are reduced or suspended by the third party system. In addition, the supply of kilowatts to the receiving system may be interrupted or reduced to prevent or limit any instability on either system.

SECTION 4 - COMPENSATION

- 4.1 The Receiving Party will compensate the Delivering Party as follows:
- 4.11 For any month the charge for Limited Term Capacity produced by the Delivering Company is \$3.25 per KW.
- 4.12 For Limited Term Capacity purchased from a third party system, the charges to the Receiving Party are charges by the third party system plus a transmission use charge of \$.75 per KW per month.
- 4.13 When energy delivered hereunder is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the out-of-pocket cost, plus (2) cost of transmission losses to make the delivery, plus (3) 10% of the sum of (1) and (2) of this section or 5 mills per KWH, whichever is less.
- 4.14 For energy delivered by the delivering party from a third party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the rate per KWH paid to the third party, plus (2) the cost of associated transmission losses, plus (3) 10% of the sum of (1) and (2) under this section or 2 mills per KWH, whichever is less.

SECTION 5 - TAXES

5.1 Where applicable, taxes will be added to the billings under 4.11, 4.12, 4.13 and 4.14 including but not limited to:

Support of South Carolina Public Service Commission

South Carolina Gross Receipts Tax

South Carolina Generation Tax

North Carolina Gross Receipts Tax

Any new or additional applicable taxes enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.

SERVICE SCHEDULE D

ECONOMY INTERCHANGE

SECTION 1 - DURATION

- 1.1 This Service Schedule, a part of and under the Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Interchange Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.
- 1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICE TO BE RENDERED

From time to time each of the parties will have electric energy (hereinafter called "Economy Energy") available from surplus capacity on its own system and/or from sources outside its own system, and such Economy Energy can be supplied to the other party at a cost that will result in operating savings to such other party. Such operating savings will result from the displacement of electric energy that otherwise would be supplied from capacity on the system and/or from sources outside the system of such other party. To promote the economy of electric power supply and to achieve efficient utilization of production capacity, either party, whenever in its own judgment determines Economy Energy is available, may offer Economy Energy to the other party. Promptly upon receipt of any such offer the receiving party shall notify the supplying party of the extent to which it desires to use such economy energy. Schedules providing the periods and extent of use shall be mutually agreed upon.

SECTION 3 - COMPENSATION ECONOMY ENERGY

Economy Energy supplied hereunder shall be considered as displacing electric energy that otherwise would have been generated by the receiving party at its own electric generating stations or any electric energy from third parties mutually agreed to be subject to displacement hereunder. Economy Energy shall be settled for at rates which shall be predicated upon the principle that savings resulting from the use of Economy Energy shall be divided equitably among the parties. Prior to any transaction involving the sale and purchase of Economy Energy, authorized representatives of the parties shall determine and agree upon the rate applicable to such transaction. A charge for generating unit start-up and other incidental costs necessary to make the Economy Energy available may be made if applicable. This charge shall be agreed upon between the parties prior to the transaction and included in the energy charge.

SERVICE SCHEDULE E

OTHER ENERGY

SECTION 1 - DURATION

- 1.1 This Service Schedule, a part of and under the Agreement dated January 1, 1975 between South Carolina Electric & Gas Company and South Carolina Public Service Authority, shall become effective September 22, 1978, and shall continue in effect until termination or expiration of the Agreement unless superseded on any earlier date by a new service schedule or until terminated as provided for in Section 1.2 below.
- 1.2 Either party upon at least one year prior written notice to the other party may terminate this schedule.

SECTION 2 - SERVICES TO BE RENDERED

- 2.1 It is recognized that from time to time occasions will arise when one of the parties may have electric energy (hereinafter called "Other Energy") available from surplus capacity on its own system and/or from sources outside its own system that can be utilized advantageously for short intervals by the other party.
- 2.11 It shall be the responsibility of the party desiring the receipt of the Other Energy to initiate the purchase and sale of such energy. The party desiring such receipt of energy shall inform the other party of the extent to which it desires to use Other Energy.

SECTION 3 - COMPENSATION

3.1 (a) When energy hereunder is generated on the system of the delivering party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the out-of-pocket cost, plus (2) the cost of transmission losses to make the delivery, plus (3) 10% of the sum of (1) and (2) under this section or 5 mills per KWH, whichever is less, plus (4) a transmission use

charge of 2 mills per KWH; or at the option of the delivering party the energy may be returned in kind.

- (b) For energy delivered by the delivering party from a third party, the receiving party will pay the delivering party a rate per KWH equal to: (1) the rate per KWH paid to the third party, plus (2) cost of associated transmission losses, plus (3) 10% of the sum of (1) and (2) under this section or 2 mills per KWH), whichever is less, plus (4) a transmission use charge of 2 mills per KWH; or by mutual agreement the energy may be returned in kind. In return in kind transactions the receiving party will pay the delivering party (1) 2 mills per KWH to cover the cost of supplying the associated transmission losses on the system of the delivering party and to provide compensation in lieu of the 10% margin normally applied to cash transactions, plus (2) a transmission use charge of 2 mills per KWH.
- 3.2 Where applicable, taxes will be added to the billings under 3.1 including but not limited to:

Support of South Carolina Public Service Commission

South Carolina Gross Receipts Tax

South Carolina Generation Tax

North Carolina Gross Receipts Tax

Any new or additional applicable taxes enacted after the date of this Service Schedule shall be included in billings under this Service Schedule.